

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
W. R. GRACE & CO., <u>et al.</u> , ¹)	Case No. 01-01139 (JKF)
)	
Debtors.)	Jointly Administered

**DECLARATION OF MARK A. SHELNITZ IN SUPPORT OF DEBTORS' MOTION
AND OBJECTION SEEKING ENTRY OF AN ORDER (A) EXPUNGING OR
(B) REDUCING AND ALLOWING CLAIMS PAID POST-PETITION**

I, Mark A. Shelnitz, hereby declare that the following is true to the best of my knowledge, information and belief:

1. I am the Vice President, General Counsel, and Secretary of W. R. Grace & Co., which has offices located at 7500 Grace Drive, Columbia, Maryland 21044. I submit this declaration (the "Declaration") in support of the Debtors' motion and objection seeking entry of an order (A) expunging or (B) reducing and allowing claims paid post-petition (the "Motion").

2. I am responsible for overseeing the claims review and objection process in these cases. In that capacity, I have reviewed the Motion and am, directly or through the Debtors'

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Cicec Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

personnel, attorneys, and Bankruptcy Management Corporation, the Debtors' claims consultant, familiar with the information contained therein and in the exhibits annexed thereto.

3. Upon information and belief, the Debtors maintain books and records (the "Books and Records") that reflect, among other things, the Debtors' liabilities and respective amounts owed to their creditors. The Books and Records also reflect payments made with respect to those liabilities.

4. Under my supervision, considerable resources and time have been expended to ensure a high level of diligence in reviewing and reconciling claims in these cases. These claims were carefully reviewed and analyzed by appropriate personnel, and, in some cases, the Debtors' professional advisors, resulting in the identification of claims that have been paid, in whole or in part, by the Debtors post-petition. In addition, as specified in the attached exhibits, a few of these claims also assert amounts that the Debtors could not verify after a thorough review of the books and records and proofs of claim, as well as the supporting documentation provided by each claimant. Based on these efforts, the Debtors have determined that the claims listed in the Motion should be expunged or reduced and allowed as indicated in the Motion.

5. To the best of my knowledge and belief, I have determined that the Debtors have no liability for the claims listed on Exhibit A, Exhibit C and Exhibit E of the Motion because the Debtors' Books and Records indicate that these claims have been satisfied in full by one or more post-petition payments.

6. To the best of my knowledge and belief, I have determined that the Debtors have reduced liability for the claims listed on Exhibit B and Exhibit D of the Motion because the Debtors' Books and Records indicate that these claims have been satisfied in part by one or more post-petition payments and, in some cases, the amounts claimed could not be verified or

reconciled with the Debtors' books and records. The reduced amount of the claims after crediting the post-petition payments and reconciling the claims with the Debtors' books and records are reflected on Exhibit B and Exhibit D.

The information contained in this Declaration is true and correct to the best of my knowledge and belief.

November 13, 2006

Mark A. Shelnitz
Mark A. Shelnitz
Vice President,
General Counsel and
Secretary

Subscribed and sworn to before me
This 13th day of November, 2006.

Diane E. Armstrong

NOTARY PUBLIC, State of Maryland
My Commission Expires: 09/01/08

DIANE E. ARMSTRONG
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires September 1, 2008

